

JOURNAL

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DROUGHT FORCES TOUGH CHOICES

"Forecasts are dropping like a stone, forcing tough policy questions. I believe we must have the following priorities for this year," BPA Acting Administrator Steve Wright told conferees at a Forum on Preserving the Benefits of the Columbia River near Portland in March. Here's the list.

Preserve reliability. "We must protect human health and safety. We are going to be close to the edge in the Northwest through much of the spring and summer."

Preserve BPA's financial liquidity. "We must pay our bills. The benefits the BPA system provides would be put at risk by not covering all our costs."

Enhance fish. "Use remaining flexibility in the system to target the actions which will create the greatest benefits for fish." Wright said fish are by no means a third order priority, but BPA must preserve reliability and cover its costs if it is to meet its public responsibilities.

"The next year or two will be extremely difficult," Wright said. Under current market conditions, buying power to meet BPA's loads next year could more than triple its rates. "It is our goal to get the rate increase for next year to a double-digit rate increase," Wright said. To do this, BPA must accomplish voluntary conservation or very low-cost buydown of load from direct-service industries, public power and investor-owned residential and small farm consumers.

"But this should be a passing phase. It's a pig in a python," Wright said. "Fundamentally, the problem is a basic case of demand exceeding supply. If we can

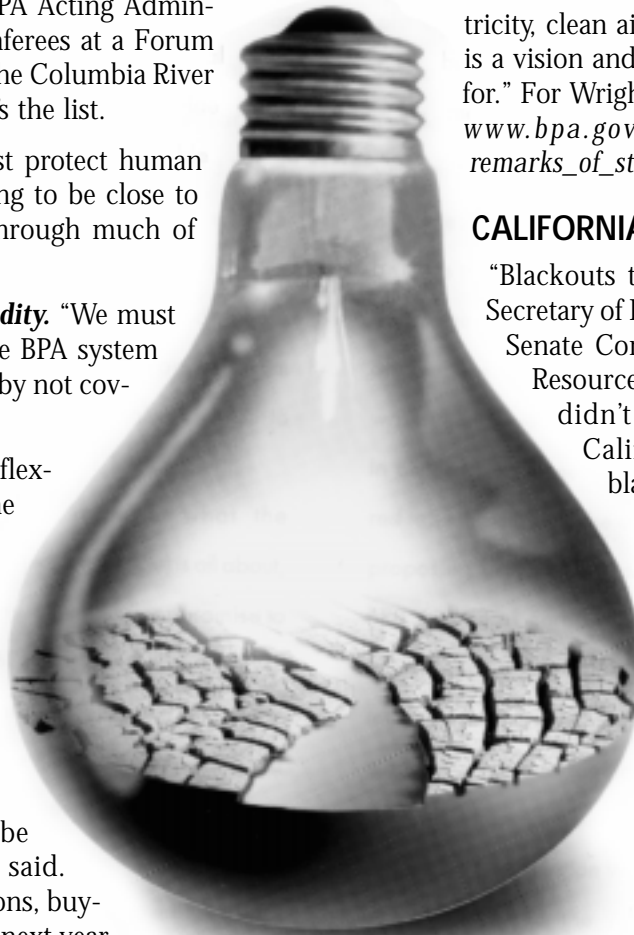
promptly encourage infrastructure investment, we can largely resolve the current crisis. If we work together we can hand down a legacy for the region of an energy infrastructure that provides low cost, reliable electricity, clean air and salmon in our rivers. That is a vision and a legacy worth coming together for." For Wright's complete speech, go to http://www.bpa.gov/Corporate/KC/mediacenter/remarks_of_steve.shtml.

CALIFORNIA WOES LOOM LARGE

"Blackouts this summer appear inevitable," Secretary of Energy Spencer Abraham told the Senate Committee on Energy and Natural Resources in a hearing on March 15. It didn't take that long. Within days, California sustained actual rolling blackouts. To help, BPA exchanged 1,050 megawatt-hours of power to California under an energy exchange on March 19. By exchanging energy, BPA does not sell power but trades it two-for-one with the first megawatt due back within 24 hours and the second within two weeks. BPA will do nothing for California that will negatively impact:


1. System reliability in the Northwest;
2. Available water for fish; and/or
3. BPA's financial health.

BPA also sold about 600 to 1,000 megawatts an hour to the California Department of Water Resources on an hour-by-hour basis in early March, due to streamflows elevated to protect endangered chum salmon. When the chum flow operation ended, BPA had no surplus power and these sales ceased.



The National River Forecast Center now predicts 2001 will produce the second lowest runoff on record for the Columbia River. Washington Gov. Gary Locke has declared a drought throughout that state.





SPRING FISH OPERATIONS: WORK IN PROGRESS

State, federal and tribal fish and power managers are working hard to put together a regional plan for operation of the hydro system for this year's downstream salmon migration season, which starts in April.

Fish managers are struggling with how best to use this season's scant water for fish while providing power. Possibilities include increased juvenile fish transportation, a more targeted flow augmentation program and reduced spill. These and other options are currently being discussed with state and tribal and other interests. To see the federal agencies' proposed principles go to <http://www.salmonrecovery.gov/index.shtml>.

"Fifty-three million acre feet appears to be the threshold," BPA Acting Administrator Steve Wright said. "At that level, we will have just enough energy to meet our own loads only if we provide no water for spill." If the actual runoff this year turns out to be greater than 53 maf, Wright said, the region has several choices about how to operate the hydro system:

- Draft storage reservoirs deeper to increase summer flows.
- Spill water past dams (without generating power) to improve fish passage and survival.
- Generate energy and revenues to build reserves and avoid cash-flow issues.
- Store any water above that needed to meet load now to help meet needs in 2002.

"Given the current water conditions, we're doing everything we can to meet power needs and fish needs," said BPA Vice President for Generation Supply Greg Delwiche. "People keep trying to paint this picture as fish vs. power: it's not. They're both affected and we're doing what we can to mitigate the impact on both."

CHUM FLOWS END

The National Marine Fisheries Service has ended a winter requirement to keep water levels below Bonneville Dam raised for chum salmon eggs. More than 50 percent of the chum had emerged from their

natal gravel and moved into the river. With the eroding stream forecast, federal agencies determined that it is time to begin filling reservoirs to have water available for flows for other endangered and threatened salmon this spring and summer.

SPILL SENT FOR SPRING CREEK SMOLTS

BPA spilled water past Bonneville Dam in mid-March to help a specific release of young salmon from Spring Creek Hatchery. BPA provided 50,000 cubic feet per second of spill for 12 hours on three weekend nights. The megawatt impact on power generation is 200 megawatts per hour of spill. Wholesale power prices at the time were about \$300 per megawatt-hour so the total dollar impact came to \$2.1 million. This is a much smaller spill for this hatchery release than has been provided in the past. States, federal fish agencies and tribes requested 50 kcfs for 24 hours for up to 10 days. The Spring Creek Hatchery near White Salmon, Wash., is run by the U.S. Fish and Wildlife Service.

NEW BULBS COMING UP THIS SPRING

BPA and participating Northwest utilities are about to launch a campaign to change the region's light bulb – from old-fashioned incandescents to energy-saving compact-fluorescents.

"Here's one easy thing we all can do to save energy without changing our lifestyle – just change our light bulbs," said BPA compact fluorescent program manager Don Davey. "CFLs use just one-fourth the energy of regular bulbs, and they last 10 times as long."

Davey is heading a project to encourage consumers to try CFLs at home. "They're really great," Davey said. "We bet that if people try one, they'll go back for more." BPA supports CFLs that display the U.S. DOE Energy Star logo. "The Energy Star guarantees that bulbs meet high standards not only for efficiency, but for long life and high-quality construction," Davey said. BPA's CFL program with participating customer utilities kicks off in April.

Other Northwest utilities are also running CFL promotions. For example, anyone can get \$3 off each on up to six CFLs by going to <http://www.katu.com/pages/energytips.asp> and downloading a coupon good at par-

ticipating Fred Meyer stores. This program, sponsored by BPA, KATU television, Fred Meyer and PacifiCorp, works in addition to any other utility program.

EARTHQUAKE PREPARATION PAYS

All things considered, the recent Olympia earthquake had very modest impacts on BPA. The transmission system sustained relatively little damage – primarily a few broken insulators. No problems on BPA facilities caused any customer to lose service. The reason BPA fared so well is simple: preparation works. BPA has spent \$2.5 million since 1995 hardening facilities to prevent earthquake damage. All 500-kilovolt substations in the Puget Sound area have been hardened against seismic events. Since a single overturned transformer would cost \$1 million or more to repair, the investment proved well worth it.

"WE NEED TO PUT SOME WIRES IN THE AIR"

BPA's Chief Engineer, Vickie VanZandt, has a message about the region's transmission grid – it needs to grow. "For more than a decade, we've stretched the grid by using the margin built into the existing lines and adding shunt capacitors and new controls," VanZandt said. "But this avenue has been pretty well exhausted. We simply need some new lines."

Little transmission has been added to the Northwest grid since 1987, and little more is planned. The North-

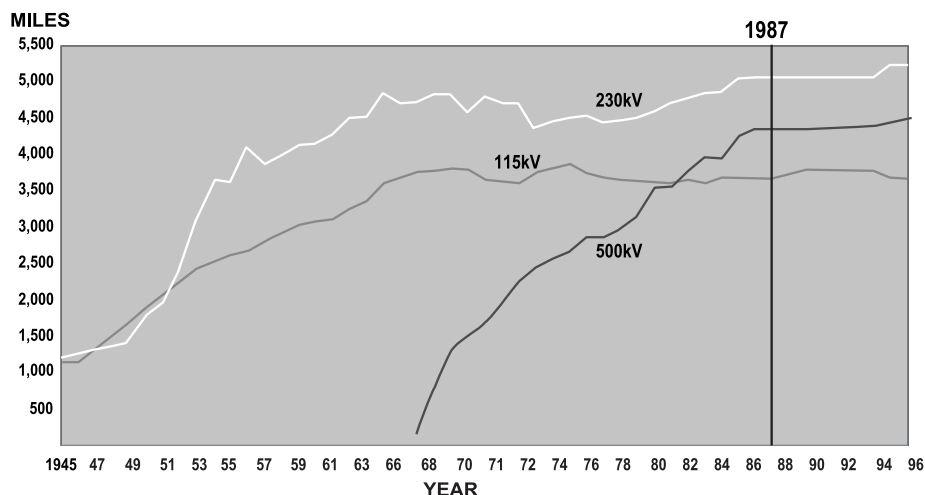
west Power Pool projects that winter peak loads will grow by 12 percent between 1998 and 2008 while transmission circuit miles will increase by only 2 percent, most of that at lower, sub-grid voltages.

"The grid is fully used now and can't be expected to handle much more load or integrate new generation reliably," VanZandt said. BPA engineers see an immediate need for several new projects to ease congested points in the high-voltage transmission grid. A number of locations are especially critical because they are "constrained," which means they cannot carry adequate power from generation sites to growing loads. Other transmission is needed to integrate new power plants that are expected to come on line. Most proposed power would be built east of the Cascades. The greatest load growth is occurring on the I-5 corridor west of the Cascades. To see BPA's infrastructure proposal, check BPA's Web site at: <http://www.bpa.gov/Corporate/KC/mediacenter/Presentations.shtml>.

HATFIELD ENVISIONS NEW BPA MANDATE

Looking beyond today's power crisis, retired Sen. Mark O. Hatfield has suggested a new long-term purpose for BPA – that its revenues be used to address social problems of the Northwest. Once today's energy crisis is past, Hatfield suggested, the region could create a fund from BPA revenues allocated to the states and tribes to address social programs. "The hydro system has been the envy of the nation for years," Hatfield said. "That's not surprising because it's just plain human nature to covet what you can't have. If we are serious about protecting the benefits of the power system for future generations, we must once again require the system to serve the people – all the people." Hatfield's speech to the Preserving the Benefits of the Columbia River conference is posted at http://www.nwcouncil.org/library/speeches/nwforum2000_0312hatfield.htm

Operating circuit miles



BPA hasn't built much new transmission since 1987.

PUBLIC INVOLVEMENT

STATUS REPORTS

Avian Predation on Juvenile Salmonids in the Lower Columbia River EA. Wash. and Ore. — Monitor and evaluate the management actions implemented to reduce avian predation on juvenile salmonids in the Columbia River estuary.

Big Eddy-Ostrander Vegetation Management EA. Ore. — To control vegetation on two segments of the 500-kV transmission line right-of-way from Lolo Pass to near Parkdale and east of Parkdale.

Coeur d'Alene Tribe (CDA) Trout Production Facility Project EA. Idaho — To fund design, construction, operation and maintenance of a facility to provide off-site mitigation for losses on the mainstem Columbia River. A final EA is being prepared.

Condon Wind Project EIS. Ore. — To acquire about 50 megawatts of electricity from the proposed Condon Wind Project.

Fish and Wildlife Implementation Plan EIS. Regionwide — To examine potential impacts of implementing one of the fish and wildlife policy directions being considered in regional processes.

Goldendale Energy Project SA. Wash. — An SA to Business Plan EIS (SA-03) and ROD are available. ☐

Grande Ronde and Imnaha Spring Chinook Project EA. Ore. — To build egg incubation and juvenile rearing facilities next to the Lostine and Imnaha rivers and to modify the Gumboot adult collection facility and the Lookingglass Hatchery in partnership with the Nez Perce Tribe, Oregon Dept. of Fish and Wildlife and the Confederated Tribes of the Umatilla Indian Reservation.

Johnson Creek Artificial Propagation Enhancement EA. Idaho — Development of a native chinook salmon broodstock for rearing of acclimated smolts to preserve and recover the population.

Kangley-Echo Lake Transmission Line Project EIS. Wash. — To build a 500-kV transmission line in King County to connect an existing transmission line near Kangley to Echo Lake Substation.

Ladd Marsh Wildlife Management Area, Conley Lake Upland Habitat Restoration SA. Ore. — SA to Wildlife Mitigation Program EIS (SA-14) is available. ☐

Northwest Regional Power Facility EIS. Wash. — To construct a combustion turbine near Creston. The final EIS (#2887) and an SA are available. ☐

Santiam-Bethel Transmission Line Project EA. Ore. — To rebuild a 17-mile section of the Santiam-Chemawa line to double-circuit to accommodate a new 230-kV transmission line from the Santiam Substation to a Portland General Electric line that goes to PGE's Bethel Substation.

Schultz-Hanford Area Transmission Line Project EIS. Wash. — To build a new 500-kV line to relieve constraints on several electrical lines, provide more operational flexibility to meet endangered salmon obligations and maintain transmission capacity to import and export energy.

Umatilla Generating Project EIS. Ore. — To integrate electrical power from a new 550-megawatt natural gas-fired combined-cycle combustion turbine generation plant proposed by the Umatilla Generating Co., LP.

Walla Walla Basin Passage Improvements Project, Milton Ditch Consolidation SA. Ore. — SA to Watershed Management Program EIS (SA-49) available. ☐

White Sturgeon Mitigation and Restoration in the Columbia and Snake Rivers Upstream From Bonneville Dam EA. Ore., Wash. and Idaho. — To restore and mitigate for documented lost white sturgeon productivity caused by development and operation of the hydropower system using intensive fisheries management and modified hydrosystem operation.

Wholesale Power Rates Amended Proposal. Regionwide — BPA and joint customers have agreed to a partial rate settlement. The rate case as a whole continues on schedule.

CALENDAR OF EVENTS

Conservation or Crisis? A Northwest Choice. Conference sponsored by BPA and NewsData. **Sept. 24-26**, DoubleTree Hotel, Jantzen Beach, 909 N. Hayden Island Dr., Portland, Ore. Contact Jennifer Eskil (509) 527-6232 for info.

Unless otherwise noted, documents cited are being prepared. ☐ Indicates a new document is available. Call to order new documents or to be added to the mail list(s) of project(s) of interest to you. Process Abbreviations: **EA** – Environmental Assessment, **EIS** – Environmental Impact Statement, **FONSI** – Finding of No Significant Impact, **ROD** – Record of Decision, **SA** – Supplement Assessment.

FOR MORE INFORMATION OR TO GET INVOLVED: The *Journal* is a monthly newsletter of the Bonneville Power Administration for customers and interested publics. To order documents, call 1-800-622-4520 or (503) 230-7334 (Portland). For questions/comments or to be added to a mail list, call (503) 230-3478 (Portland) or 1-800-622-4519. Written comments may be sent to: BPA, P.O. Box 12999, Portland, OR 97212. Public Involvement E-mail address: comment@BPA.gov, BPA home page: <http://www.bpa.gov>

